The National Flood Insurance Program

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RiskMAP

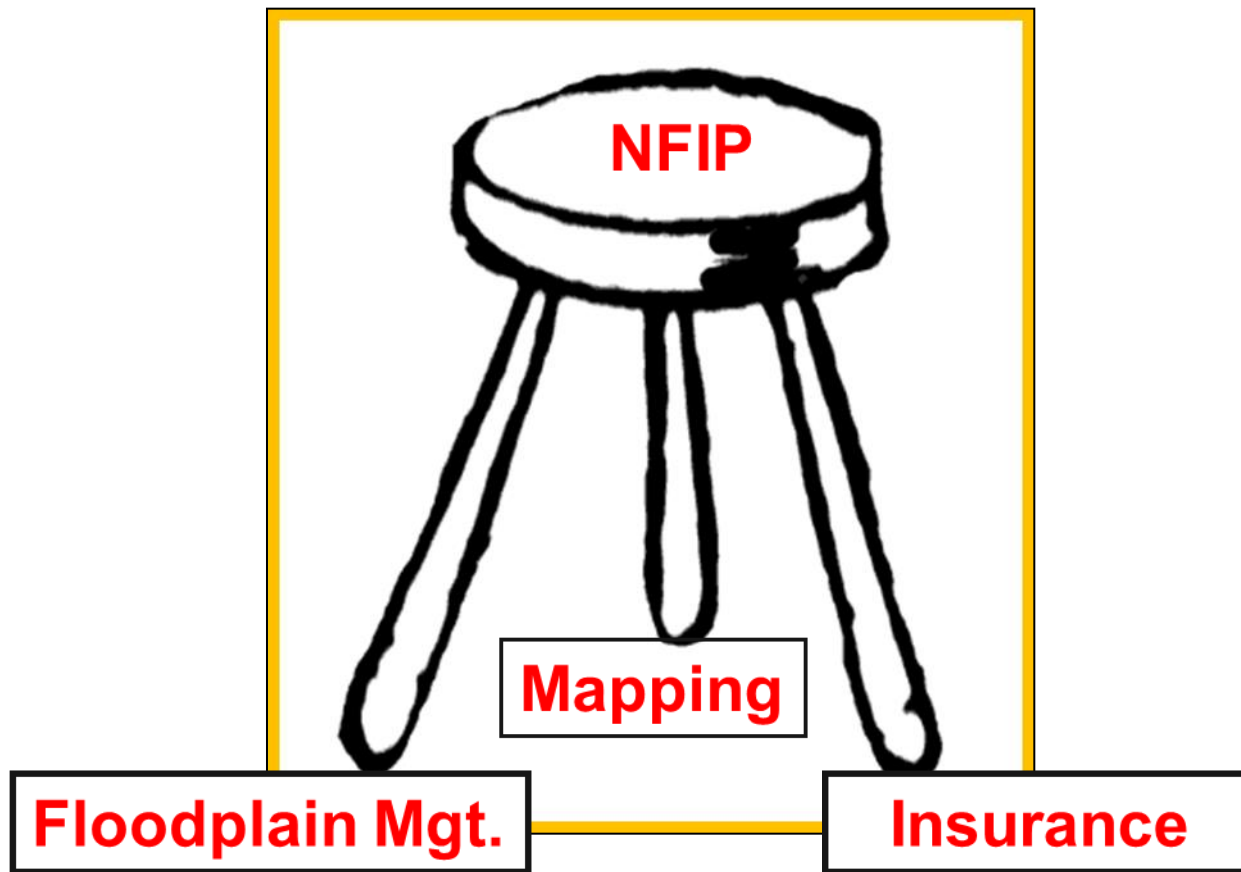Increasing Resilience Together
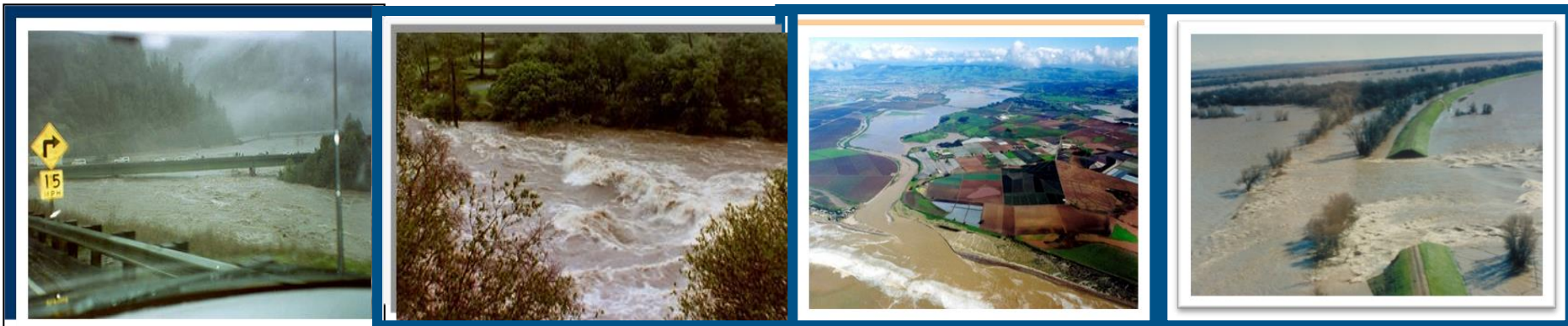
How the NFIP Works

FEMA agrees to make flood insurance available within a community when that community agrees to adopt and enforce floodplain management regulations.

How the NFIP Works

NFIP Background

- National Flood Insurance Act of 1968

- Flood Disaster Protection Act of 1973

- National Flood Insurance Reform Act of 1994

- Flood Insurance Reform Act of 2004

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NFIP Background

- Ensure long term sustainability and financial soundness

- Respond to the rising costs and consequences of flooding

Government Building

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Biggert-Waters 2012 (BW-12)

- What Does it Do?
  - ➢ Reauthorizes the National Flood Insurance Program (NFIP) for 5 years through September 30, 2017
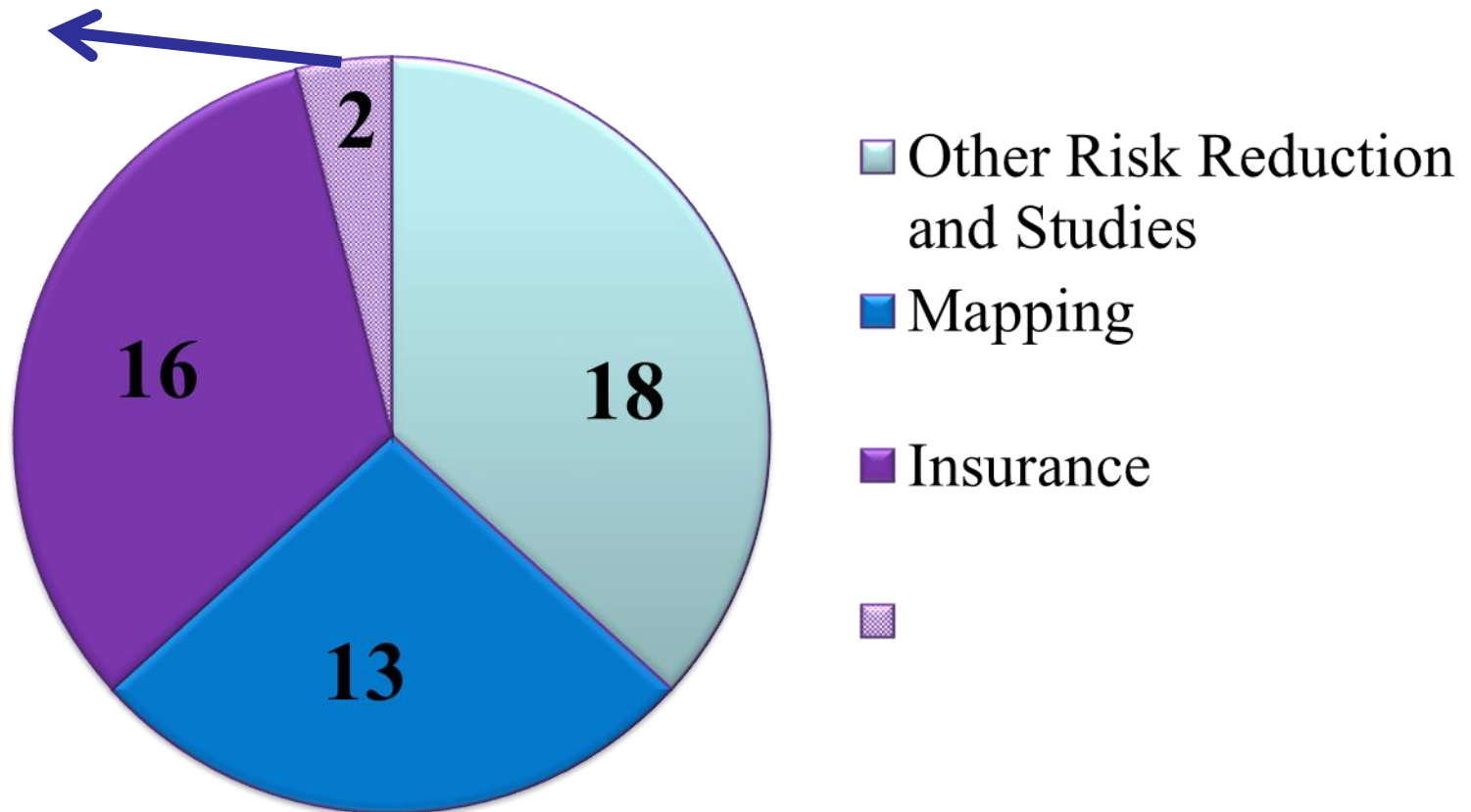
  - ➢ Signed July 6, 2012

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BW 2012:   Section by Section

Biggert-Waters 2012 Section Break Down

Section 205 & 207

Legend:
- ☐ Other Risk Reduction and Studies
- ☐ Mapping
- ☐ Insurance
- ☐

Build Safer and Stronger

Changing the Message About Flood Insurance

Flood Insurance Provisions:

Section 100205

Targets:

- Non-Primary Residences
- Businesses
- Severe Repetitive Losses
- Newly purchased building or policy, lapsed policy

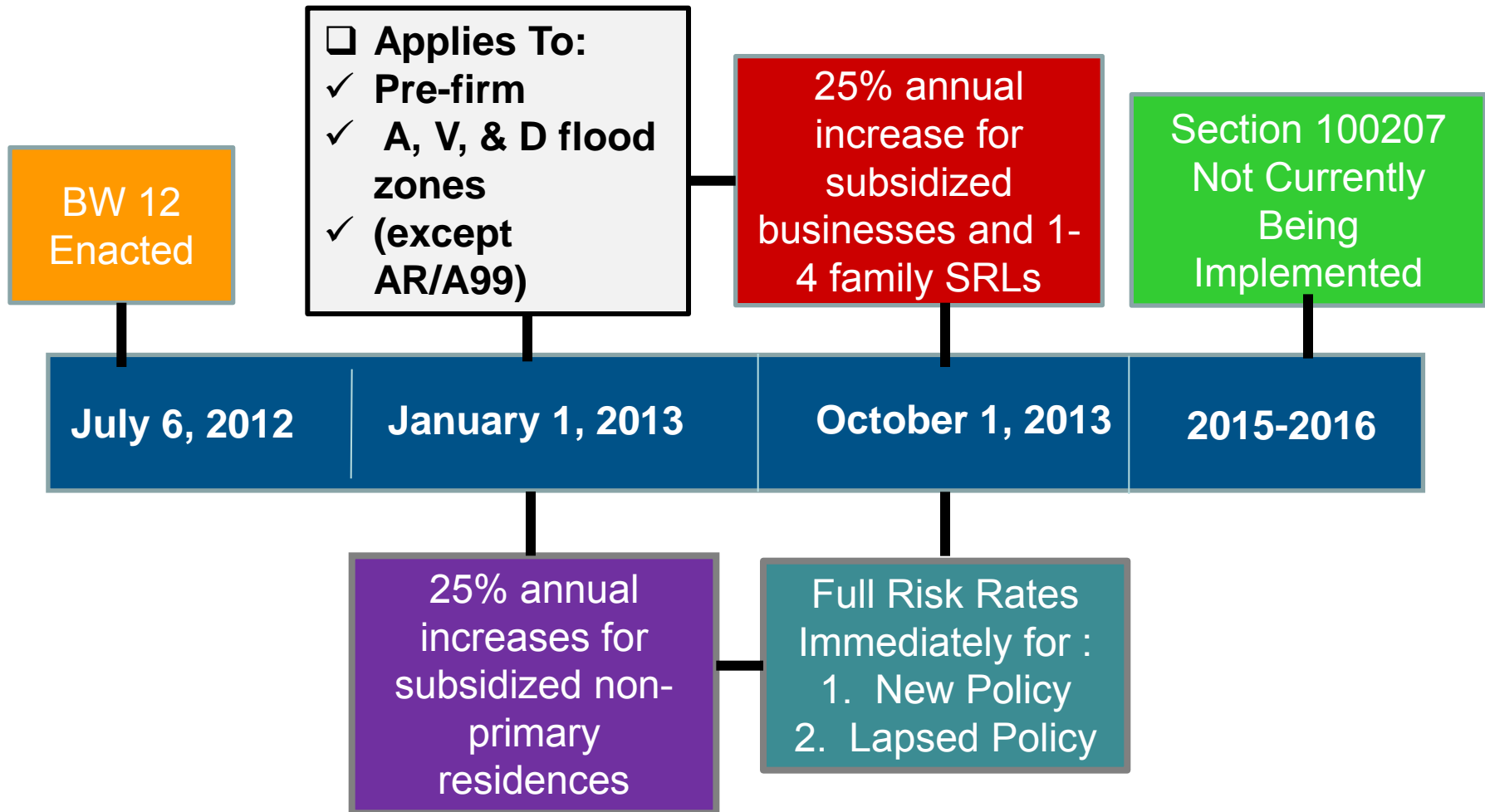**Implementation began January 1, 2013**

Section 100207

Impacts map changes:

- Grandfathering
- Preferred Risk Policy Eligibility Extension

Not currently being implemented

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BW 12 Section 100205 Summary

BW 12 Enacted

Applies To:
- ✓ **Pre-firm**
- ✓ **A, V, & D flood zones**
- ✓ **(except AR/A99)**

25% annual increase for subsidized businesses and 1-4 family SRLs

Section 100207 Not Currently Being Implemented

| July 6, 2012 | January 1, 2013 | October 1, 2013 | 2015-2016 |

25% annual increases for subsidized non-primary residences

Full Risk Rates Immediately for :
1. New Policy
2. Lapsed Policy

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Full Risk Rates

- ▪ Reduce the Risk, Reduce the Rate

PREMIUM AT 4 FEET BELOW BASE FLOOD ELEVATION	PREMIUM AT BASE FLOOD ELEVATION	PREMIUM AT 3 FEET ABOVE BASE FLOOD ELEVATION
$9,500/year **$95,000/10 years**	$1,410/year **$14,100/10 years**	$427/year **$4,270/10 years**

B F E   B F E   B F E

Zone AE Rates Effective October 1, 2012

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BW 12 Section 205 - California

Total California NFIP Policies: 256,836

3%

2%

95%

■ 25% Rate Increases (Vacation & Second Homes)

■ 25% Rate Increases (Businesses & 1-4 Family SRL Properties)

■ Not Affected Yet Unless Section 205 Trigger (Property Sale, Policy Lapse or New Policy)

Data as of 12/31/12

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12

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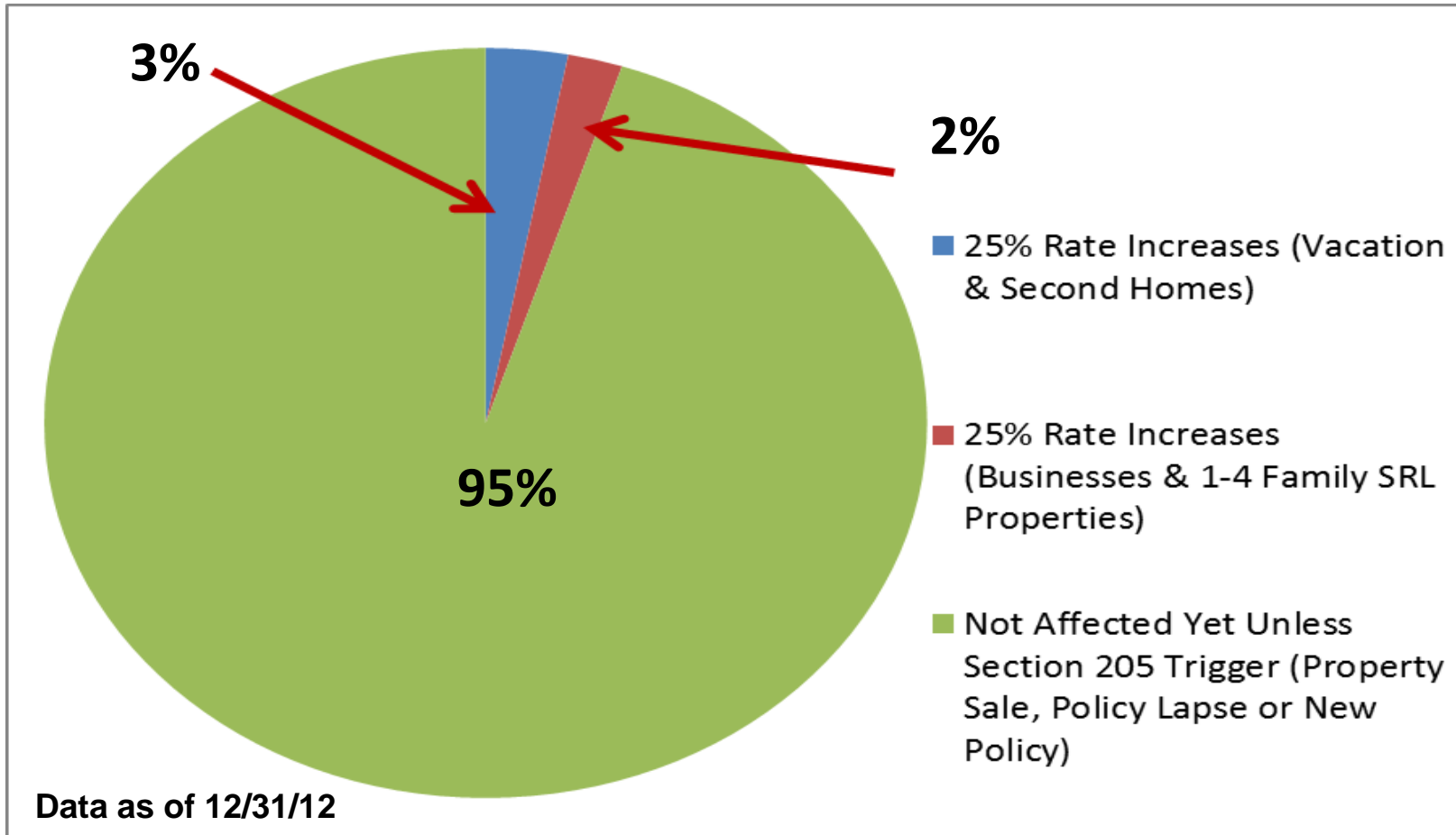
Delta Communities – Impacted Section 100205

	Sacramento County	Yolo County
Total Policies	59,585	5,875
25% Rate Increase (Non-Primary Residence, Business, 1-4 Severe Repetitive Loss)	522	169
No Change Unless New Policy or Lapse	1,184	320
Not Impacted	57,879 (97%)	5,386 (92%)

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Delta Communities – Impacted Section 100205

	Contra Costa County	San Joaquin County	Solano County
Total Policies	5,310	8,266	3,237
25% Increases (Non-Primary Residence, Businesses, 1-4 Family Severe Repetitive Losses)	448	557	231
No Change Unless New Policy or Lapse	1,680	522	596
Not Impacted	3,182 (60%)	7,187 (87%)	2,410 (74%)

Key Takeaways - Mitigation

Understand the Risk
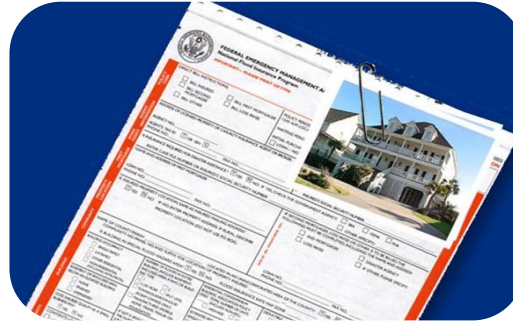
Buy Down the Risk

Build Safer, Stronger & Smarter

Collaborate & Communicate

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FloodSmart

www.FloodSmart.gov